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OFFICE OF PERSONNEL MANAGEMENT  
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## MEMORANDUM FOR HEADS OF DEPARTMENTS AND AGENCIES

FROM: CONSTANCE HORNER *Constance Horner*  
DIRECTOR

SUBJECT: Study of the Federal Employees Health Benefits Program

Last Fall, OPM commissioned a full-scale evaluation of the Federal Employees Health Benefits Program to investigate apparent problem areas in the program and recommend improvements. The study was undertaken by the consulting firm of Towers, Perrin, Forster and Crosby under contract to the Office of Personnel Management. This memorandum transmits a copy of the contractor's report.

We are much concerned about the structural and operational problems the report identifies. We hope to use it as a basis for discussion with a broad spectrum of groups and individuals about the legislative and other changes needed to assure that the Federal community enjoys the very best health insurance program possible.

Agency views will, of course, be extremely important in the development of any legislative or policy alternatives. I will be contacting you and your staffs in the coming weeks to discuss the report with you and solicit your views.